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Thank you for the invitation. I am looking forward to hear your comments and questions. I am going today to speak on rural development and how it is currently practiced in Europe, with a specific focus on the new rural paradigm and the LEADER method. I will try to explain the background and setup of rural development in the European Union, and try to describe the principles of the so-called "new rural paradigm". And I will illustrate this with some quick cases.

I have chosen not to try and adapt this presentation to South African conditions. Instead I offer a look into a European discourse on rural development, and I welcome a discussion on the Eurocentric elements of this approach. Some of the issues might be luxury problems in a southern African context, and some might serve as inspiration. By doing this I also wish to address a larger question. Namely, what are currently at stake in the broader relationship between urban and rural areas? What kind of economies, social relations and cultural values do these changes enable and disable?

As a member of a Local Action Group I have been actively engaged in local but strategic rural development. A local action group is a locally elected board that qualifies projects for funding, and is part of a national and EU framework for rural development, which I will return to later. Finally, I have been engaged with rural development as a researcher, attempting to address problems of local value chains and their interaction with tourism and regional identity.

The new rural paradigm

The new rural paradigm is used to describe a rather diverse mix of initiatives in rural development. From single businesses build around new products and service innovations, to heavy institutionalized and bureaucratic development strategies at state and for the European Union also above state level. As far as I know, the new rural paradigm is a rather new term stemming from an OECD conference and following publication in 2006.

Its history however, is a decade or two older.

Also, the name the new rural paradigm might indicate that it has fully replaced another paradigm. This is not the case. Rather it co-exists, with other and often contradictory "paradigms" with vast subsidies for agriculture and market-led development, in for example the distribution of access to the marine resources, as well as high tech industries focused on green and sustainable solutions. For some

the new rural approach is a supplement, for others it is seen as a rebellion against a large-scale agriculture and big business biased development agenda.

First I wish to give an introduction to the historical context that the new rural paradigm is related to. I will do it short, since you probably know about the overall situation for rural areas in Europe, and its historical development.

In short, primary production such as forestry, fishing and especially agriculture occupy less and less people in the rural areas. In Denmark the number of people involved in agriculture has dropped from 40 % to 3 % the last hundred years. Even if you focus only on rural areas the number employed in agriculture is only around 7 %. With more than 50 % of the people living in rural areas in the EU, there is therefore a large group of people living in the countryside who is not related to the land in any productive way. This can be termed a hidden urbanization.

The same can be said about the role of productive large-scale industries. The change in the type of production has meant that companies now settle in larger university towns or that the actual production is moved to other places where labor power is cheaper. This process of urbanization and mechanization of agriculture has led to a downward spiral, where decreasing incomes from tax has led to reductions in the public service level, which incentives more people to move away and less new companies to settle. The result being lower tax incomes, less service, and so on. This narrative and image of a downward spiral is very often used and widely accepted, however Denmark experienced increases in the rural population both in the 1970s and 1990s.

On a general level, there is of course a lot of truth to this depiction, but I think it is important to realize that there are a lot of exceptions to this general narrative. As a discourse however, the narrative is rather strong. You only need to read a few reports on the state of rural areas to see how this narrative is reproduced over and over again. It contributes, in my opinion, to a misunderstood framing of the discussion, sometimes simply by equaling all rural areas in the same formula. Important to note is that, at local level there is a much more uneven development and with other ingredients in the mix.

As mentioned above the general urbanization of the economy, and the following changes in demography and in occupational patterns in rural areas, are certainly some of the main roots for the new rural paradigm. These structural challenges gave rise to a call from the rural dwellers for a new rural policy more inclusive to the rural population. Despite the discursive level of the narrative, described above, the rural areas in Europe as well as in Denmark is experiencing economic decline and currently faced with some rather difficult challenges; education and health care is being more and more centralized, and some communities lose their schools and health facilities on the account of other getting their renewed.

Changes in agriculture

Another source for the background of the new rural paradigm is the failure of existing agricultural policies. Not only is rural areas depopulated as mentioned above, there is a vast amount of subsidies given to large agricultural units employing less and less people, environmentally problematic and structurally clinging on to a tiny *advantages of scale* in a globalized market for food products.

In the 1970s and 1980s the European Union – then the EEC – bought up massive amounts of agricultural products in order to keep a minimum price. In a European context this represents the old paradigm. Media depictions of “butter-mountains”, “wine-lakes” and other stored products gave fuel to public criticism. Later, subsidies were given to farmers in exchange of them *not growing anything* on their fields, also done in order to stabilize prices and production. This irrational use of subsidies and tax money also fuelled much public criticism.

In rural areas the structural failing of the EU agricultural policies sparked initiatives pushing for alternatives to rural development than those proposed by the powerful European farmer-lobby. It was in this context that the Leader method originated in the late 1980s.

The Leader method was initiated by the European Union in 1988 and the first period of actual work under this policy began in 1991. Translated from the French abbreviation “Leader” stands for “Links between actions of rural development”. A child of its time, the main purpose of Leader was to secure sustainable development in rural areas. Herein were understood social, environmental, cultural and economic aims, while an important feature was to preserve the diversity of rural areas. As such, it was a small protest against existing monocultural subsidies to large-scale farming. The LEADER approach was a key element in preparing rural areas for an internationalization of the EU economy. Rural areas would not longer be able to rely on national solidarity and would have to find their individual unique qualities and development strategies.

The key novel aspect of Leader was in its bottom-up approach, using local and heterogeneous units to decide and innovate the new route for rural development. This was really the core feature, which together with a number of other principles gave the Leader method a popular start. There are seven Leader principles, which summed up are:

Area-based local development strategies (place as the starting point)

Bottom-up elaboration and implementation of strategies

Local Action Groups (local public-private partnerships)

Integrated and multisectoral actions (thematic approach)

Innovation (and investments instead of subsidies)

Cooperation

Networking

Leader has been implemented in three periods since 1991 followed by a major mainstreaming in 2006 inside the new EU with 27 member states.

Previous Leader periods:

Leader initiatives	Number of local action groups	Area covered	EU funding
Leader I (1991-93)	217	367 000 km ²	EUR 442 million
Leader II (1994-1999)	906	1 375 144 km ²	EUR 1 755 million
Leader+ (1999-2005)	893	1 577 386 km ²	EUR 2 105.1 million

Current Leader period 2006-2013:

Local Action Groups	2328	27 Member States
Fisheries Local Action Groups	+250	

Since 2006 Local Action Groups have been the main term used with the novel addition of a number of Fisheries Local Action Groups, determined by their link to coastal areas dependent on fisheries. Thus, since 2006, LAGs and FLAGs have been commonly used in the EU discourse on rural development. Still they represent only a small fragment of the agricultural and fisheries structural funds. It is only around 5-10 % of the budgets, which are distributed through Local Action Groups.

LAGs are established in cooperation with the state, which administers the EU regulation and overall national objectives – making sure that the LAGs are not conflicting with each other over the same area and facilitating the legal establishment of the LAGs.

A board of 10-20 people is elected and normally has a hired “coordinator”. The latter has a significant importance in helping and facilitating new applicants. The board consists of some politically and officially selected members and then a majority of civilians, often representing the different groups interested in using the funds and with the aim of giving their area new viability.

The LAG are then supposed to develop a local strategic plan and to coordinate this with other regional and local policy documents, that is, to make sure it is not working against other development strategies. The plan will also indicate the themes under which the LAG will fund projects. The locally fashioned plan is finally

reviewed by the national authorities and if approved, the LAG will be allocated a portion of the funds (which in practice will be held by the national authority).

After this, the board will be enabled to give funding to projects in their local area as far as these qualify under the strategic plan and chosen themes. The LAG can only fund as much as 50 % of a project and the national authorities will have the last say if the project can legally be funded with public money. However, with EU mainstreaming the new rural paradigm from 2006 and at the same time abandoning the Leader name, the latter has been more and more reserved to defining a method, often referring to a stricter adherence to the principles of local bottom up democracy and innovation, than what is carried out under the LAGs. This is an interesting process, which deserves a closer look. With the new LAGs and FLAGS, there is definitely a group of people feeling the “good old” leader principles have been treated unfaithfully. Especially the principles of bottom-up and innovation seem to have been put in the background.

The OECD, working with a larger and more diverse group of countries uses the frame “the new rural paradigm” in their policy reviews, and includes the Leader method as one of their case examples. The new rural paradigm can be contrasted with the “old” paradigm in a schematic way:

	The old paradigm (exogenous)	The new paradigm (neo-endogenous)
Objectives:	More profitable and competitive farms and income equalization (between regions)	Competitiveness of rural areas, the valorization of local assets, and the exploitation of unused resources
Key target sector:	Agriculture	Tourism, manufacturing, IT, communications, small scale food production, entrepreneurs
Main tool:	Subsidies	Investments
Institutions:	National administration and farmers (organizations)	Multiple levels from supranational to local action groups

When working with this on a local level, one key element is identification of the so-called place-bound qualities. Involved in this is a process to identify, define and develop these qualities. It is believed that the local constituency is the best available resource to choose these “themes” and local qualities. However, rural development also gets exposed to local rivalry and power relations. Who gets to define these place-bound qualities? Who are successful in applying the Local Action Groups and other funds?

On the other side, the LAGs are viewed from authorities as a kind of laboratories for innovation and developing new business ideas and service deliveries. Linked to this is a wide-spread collection of "best practice" by authorities and consultants - often hired by governments or big foundations involved in funding rural development. Thus, there are multiple, often colorful, reports on best practice and successful initiatives, but less critical literature coming from academic institutions. There is not much written about "best learning" and the local conflicts arising from the impact of the new funds. This leads me to my final point. I shall try to elaborate a little on my future research project, and how I hope to approach the developments coming from this new rural paradigm as a social and cultural analyst.

I think the central point is to develop a framework that can display the transformations caused by the many new projects and avoid being entrenched in the discourse of the new rural paradigm. The key I propose, is that the overall relationship between urban and the rural areas is changing, so that the adjacent rural areas are no longer the main food producer for the urban areas. This represents a break with the urban-rural relations captured in the central-place theories. Large-scale primary food production is still going on and important, but as I have shown, it is a minority of the population and it represents a decreasing share of the economy and ever decreasing share of the social and cultural everyday lives. Thus new lifemodes are moving into the rural areas. The *creative class* and other *career-oriented* lifemodes are displacing former residents and changing the rural areas to fit their worldviews.

The new role for the rural areas is perhaps as a re-creative resource – as pleasure. Of course, tourism in rural areas is nothing new, but it is – partly as a consequence of the new rural paradigm – becoming the main development strategy for most rural areas in Denmark. This tourist dependency I think is a new phenomenon, and it might be relevant for researchers to think it through. This means that rural areas are redesigned and refurbished to fit demands not only of the tourists but also of the local population, which now is engaged in qualitatively different occupations than working with the land, forest and fishing resources.

It is perhaps this new social class that is redefining the place-bound qualities and engaging in the new rural paradigm. Farmers giving away their land to new hiking trails is a physical manifestation of this change. Something that not always come about without conflicts. Another point is the aesthetic profile of rural areas. In this picturing of rural areas, a certain rural appeal is used and commoditized in order to be consumed as a re-creative resource and commodity. However, a challenging consequence can be that in order to have a local identity it has to be formed as a commodity or staged as a part of a tourism or leisure economy. This is what my future research will be about. Maybe understanding the rural areas is the key to understanding the whole of the contemporary society?